

TRUST LANDS ADMINISTRATION

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NOTICE OF REQUEST FOR BIDS **GREEN BEETLE TRACT OUARTZITE BUILDING STONE**

The Utah School and Institutional Trust Lands Administration is requesting competitive bids for a permit to mine, remove and sell quartzite building stone in the following described tract of state trust lands.

Township 11 North, Range 16 West, SLB&M

Section 36: W2SE4, SE4SE4

Box Elder County 120.00 Acres

BACKGROUND:

The tract of land is located in Park Valley, Box Elder County, Utah. It is accessible via a dirt road, off State Highway 30, approximately fifteen miles southwest of the community of Rosette. The surface is owned by the United States and administered by the Bureau of Land Management (BLM). The minerals, including quartitle building stone, are owned by the State of Utah and administered by the School and Institutional Trust Lands Administration. The quartzite deposit is in some low hills immediately west of the BLM Rosebud Ranger Station at an Elevation of 5300 to 5500 feet. Soils are rocky and vegetation consists of desert grasses, sagebrush and Pinyon-juniper.

The tract has previously been mined for quartzite, but may still contain significant reserves. A previous mining disturbance covers approximately three acres within the SE4SE4 of the Section. The surface of the disturbance has been regraded but requires mulching and reseeding. Also within the SE4SE4 of the Section is a stone processing site covering about 2,000 square feet and containing several tons of mined quartzite lying upon the ground. The amount of useable or marketable product at the processing site is undetermined. An open pit occupies approximately one acre in the NW4SE4 of the Section. Any further mining in the open pit area will likely require the removal of additional overburden. Unimproved dirt roads connect all of the sites.

The stone deposit of value is thin-cleavage, micaceous quartzite schist of the Dove Creek Formation. The total deposit is believed to be 60 to 80 feet thick, but contains intrusion of mica, shale and limestone. The quartzite rock is light green in color and shimmers beautifully in the sunlight. It may be in high demand as a decorative veneer for constructing walks, patios, floors treads, walls and fireplaces and should command a market price of \$90 to over \$200, per ton.

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PERMIT AND BIDDING REQUIREMENTS

Applicants must be qualified to do business in the State of Utah and not in default under any previous trust lands contracts. Corporations must be registered with the Utah Division of Corporations (801) 530-4849. The successful bidder must accept the Mineral Materials Permit offered by the Trust Lands Administration. The term of the permit is five years. The permit requires payment of a non-refundable annual rental of \$10.00 per acre, or \$1,200.00, to be paid in advance at the beginning if each permit-year. The required production royalty is \$10% of Gross Value, f.o.b. the mine, but not less than \$15.00 per ton. Annual rental may be credited against production royalties accruing for the same permit-year. Casualty liability insurance in an amount of at least \$1,000,000 and a royalty payment bond may be required for all operations on the permitted lands.

The successful bidder must agree to reclaim the existing surface disturbances in the permitted lands in accordance with requirements of the Division of Oil, Gas & Mining (DOGM) and the surface owner, in addition to reclaiming any new surface disturbances made under the permit. At least 60 days before commencing any operations on the lands the permittee must submit to the School and Institutional Trust Lands Administration a mining and reclamation plan for review and approval. The successful bidder must additionally obtain permits from the BLM (Mike Nelson 801-977-4355) for use of the surface and from DOGM (Lynn Kunzler, 801-538-5310) for a Small Mine Permit. The BLM may require the permittee to post a reclamation bond in the amount of not less than \$5,000 per acre of surface disturbance. Total surface disturbance may not exceed five acres without first obtaining a Large Mine Permit from DOGM.

Competitive bids submitted for a Mineral Materials Permit to mine, remove and sell quartzite building stone from the offered lands will be considered by the School and Institutional Trust Lands Administration on the basis of annual advance royalty. The qualified applicant offering to annually pay SITLA the greatest amount in advance royalty may be awarded the permit. There is no required minimum bid, but the amount of the bid must be paid each year in addition to the annual rental of \$10.00 per acre. Advance annual royalties may be credited against actual production royalties accruing for the same permit-year, but uncredited amounts are non-refundable.

Interested applicants may completely fill out the attached Mineral Materials Permit application form. Notary Public signature is required. Clearly indicate the amount of the Bid in the space provided on the application. Place the completed application form, along with a check or money order payable to the Trust Lands Administration in the amount of the Bid, in a sealed envelope clearly marked "Green Beetle Tract". Also, place in the sealed envelope separate checks or money orders in the amount of \$1,200.00 for the first year annual rental and in the amount of \$100.00 for payment of a non-refundable filing fee. Deliver or mail the sealed envelope and contents to the Trust Lands Administration at 675 East 500 South, Suite 500, Salt Lake City, UT 84102. All applications must be received at the above address not later than 5:00 P.M., April 30, 2001. Bids will be opened at the above address on May 2, 2001, at 10:00 A.M. Unsuccessful Bid and rental checks will be returned via U.S. Mail.

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For more information contact John Blake, School and Institutional Trust Lands Administration, Salt Lake City, Utah, Telephone (801) 538-5152, FAX 538-0922.

UTAH SCHOOL AND INSTITUTIONAL TRUST LANDS ADMINISTRATION MINERAL MATERIALS PERMIT APPLICATION

	FUNDING	Checked
PERMIT NO		
	SCH MH	IB
	• NS _	USH SYDC RES
•NAMEPHONE:	• SM _	RES
• STREET:	• UNIV	PB USU
•CITY: STATE: ZIP:_	•	TOTAL
Applicant hereby applies for a mineral materials permit to mine and extract <u>Quartzite Building Stone</u> from the following described lands located in Box Elder County, Utah.		
• SUBDIVISION S	ECTION TOWNSHI	P RANGE ACRES •
MOCEA CEACEA	36 . 11N	. 16W . 120 00 .
• W2SE4, SE4SE4		
•	•	
GREEN BEETLE TRACT		TOTAL ACRES: 120.00
Applicant herewith offers an annual advance royalty bid in the amount of \$ Applicant also encloses separate payments in the amount of \$1,200.00 for the first year annual rental and a non-refundable \$100.00 filing fee. Applicant agrees to pay a production royalty in the amount of 10% Gross Value, f.o.b. the mine, but not less than \$15.00 per ton on all stone mined or removed from the permitted lands. Applicant agrees to accept the mineral materials permit issued by the Trust Lands Administration and to perform all operations and obligations in accordance with the terms and conditions of the permit and the Laws of the State of Utah The Trust Lands Administration reserves the right to reject this permit application in its sole discretion. Applicants acquire no vested rights prior to the execution of the permit. Bids may not be withdrawn after submitted and may be forfeited to the trust unless the applicant accepts the offered permit. Annual rental and bonus bid amounts submitted will be returned to unsuccessful bidders via U.S. mail in the due course of business.		
DATE	APPLICANT SIG	NATURE
State of Utah)	
County of		
County of		
The applicant(s) listed above being first duly sworn, deposes and says that is (are) the applicant(s) named above. (If Corporation, complete the following) The applicant is a corporation organized under the laws of the United States of territory of and that the above signed is a duly qualified agent of said corporation; and that such association of corporation has fully complied with the laws of the State of Utah relative to qualifications to do business within the State of Utah and is not in default under any such laws.		
Subscribed and sworn before me this	day of	. 20
	Notary Public, residing at: My Commission Expires:	